

2011 Property Tax Report

Union County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Union County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Union County

The average homeowner saw a 4.5% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 20.5% lower than they were in 2007, before the property tax reforms.

94.4% of homeowners saw lower tax bills in 2011 than in 2007.

71.2% of homeowners saw tax increases of between 1% and 9% from 2010 to 2011.

The largest percentage of homeowners have seen between a 10% and 29% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	1,446	81.1%	92	5.2%
No Change	120	6.7%	7	0.4%
Lower Tax Bill	216	12.1%	1,683	94.4%
Average Change in Tax Bill	4.5%		-20.5%	
Detailed Change in Tax Bill				
20% or More	43	2.4%	42	2.4%
10% to 19%	134	7.5%	15	0.8%
1% to 9%	1,269	71.2%	35	2.0%
0%	120	6.7%	7	0.4%
-1% to -9%	125	7.0%	204	11.4%
-10% to -19%	33	1.9%	545	30.6%
-20% to -29%	25	1.4%	506	28.4%
-30% to -39%	8	0.4%	174	9.8%
-40% to -49%	6	0.3%	77	4.3%
-50% to -59%	7	0.4%	52	2.9%
-60% to -69%	3	0.2%	37	2.1%
-70% to -79%	3	0.2%	26	1.5%
-80% to -89%	1	0.1%	16	0.9%
-90% to -99%	0	0.0%	7	0.4%
-100%	5	0.3%	39	2.2%
Total	1,782	100.0%	1,782	100.0%

Note: Percentages may not total due to rounding.

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*LOSS OF STATE HOMESTEAD
CREDIT AND HIGHER TAX
RATES RAISED HOMEOWNER
TAX BILLS*

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Homestead Property Taxes

Homestead property taxes increased 4.5% on average in Union County in 2011. This was near than the state average of 4.4%. Union County homestead taxes were still 20.5% lower in 2011 than they were in 2007, before the big tax reform. The homestead tax increase in 2011 was partly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 4.6% in Union County in 2010. Increases in Union's tax rates also contributed to the homestead tax bill increase.

Tax Rates

Property tax rates increased in all Union County tax districts. The average tax rate increased by 5.0% because of a decline in certified net assessed value coupled with an increase in the levy. Levies in Union County increased by 1.4%. The biggest levy increases were in the county general and health funds and in the Union County Schools debt service and pension debt funds. The school levy increases were partially offset by reductions in the school capital projects and bus replacement levies. Union County's total net assessed value increased 1.0% in 2011. (The certified net AV used to compute tax rates declined by 3.4%.) Homestead assessments decreased by 1.4%, and agricultural net assessments increased by 1.2%. Other residential assessments showed a small increase at 3.3%, while business net assessments increased by 2.3%.

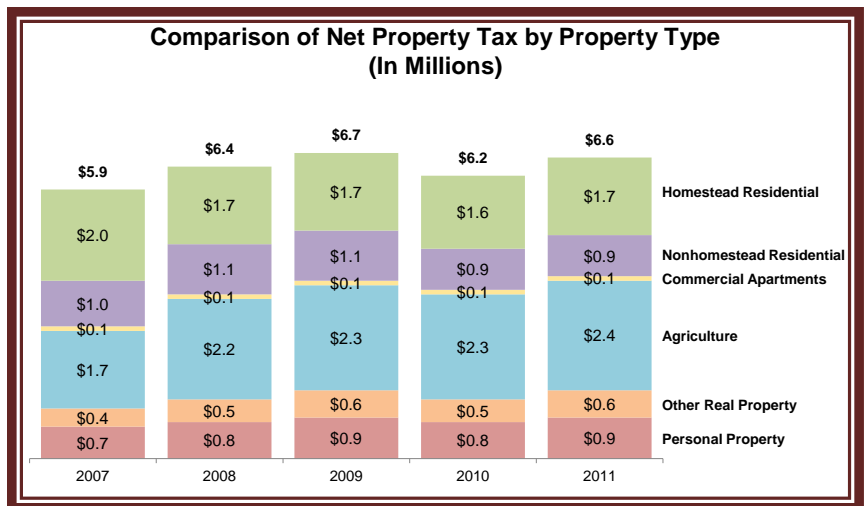
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*TAX INCREASES FOR AGRICULTURE, OTHER
RESIDENTIAL PROPERTY, AND BUSINESSES;
DECREASES FOR APARTMENTS*

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Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 4.2% in Union County in 2011, more than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 2.3%. Tax bills for commercial apartments fell 12.4%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - increased 5.3 %. Agricultural tax bills rose 3.7%. This was partly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS
INCREASED IN 2011*

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Total tax cap credit losses in Union County were \$533,328, or 7.9% of the levy. This was less than the state average loss rate of 9.2%, but more than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits. Union's tax rates are not particularly high, except in the Liberty Town tax district, where the rate is well above \$3 per \$100 assessed value. This district accounts for much of Union's tax cap credits.

Almost three-quarters of the total tax cap credits were in the 2% nonhomestead/farmland category. The largest percentage losses were the towns of Liberty and West College Corner. The largest dollar losses were in the Union County School Corporation, the town of Liberty, and the county unit.

Union County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$53,562	\$233,179	\$65,590	\$858	\$353,189	5.3%
2011 Tax Cap Credits	58,342	397,139	76,225	1,623	533,328	7.9%
Change	\$4,780	\$163,959	\$10,635	\$765	\$180,139	2.6%

Tax cap credits increased in Union County in 2011 by \$180,139, or 51%. The additional credits

represent an added loss of 2.6% of the total tax levy. Almost all of the increase in tax cap credits was in the 2% tax cap category. In six of eight Union tax districts the rate increased from less than \$2 to more than \$2 in 2011, which made many more properties in the 2% category eligible for tax cap credits. The elimination of the state homestead credit added to the 1% tax cap credit increase.

The Effect of Recession

The 2009 recession had an effect on Union County assessments for pay-2011. Business and homestead property values and construction activity appear to have stagnated in Union County in 2009. This small increase in assessments contributed to the tax rate increases, which added to tax cap credit revenue losses. The increase in the losses exceeded the increase in the tax levy, so Union County local governments had less after-credit property tax revenue in 2011 than in 2010.

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*2009 RECESSION SLOWED ASSESSMENT
GROWTH IN 2011, LEADING TO A LOSS
OF AFTER-CREDIT REVENUE*

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$221,605,350	\$222,295,760	0.3%	\$88,567,587	\$87,287,330	-1.4%
Other Residential	43,495,900	44,720,800	2.8%	40,117,410	41,444,410	3.3%
Ag Business/Land	116,754,900	118,215,200	1.3%	116,433,740	117,888,490	1.2%
Business Real/Personal	67,666,830	67,644,640	0.0%	59,929,489	61,329,883	2.3%
Total	\$449,522,980	\$452,876,400	0.7%	\$305,048,226	\$307,950,113	1.0%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Union County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	7,908,601	9,057,896	6,827,796	6,691,291	6,787,538	14.5%	-24.6%	-2.0%	1.4%
State Unit	7,842	8,431	0	0	0	7.5%	-100.0%		
Union County	2,080,729	1,871,357	1,520,665	1,579,887	1,629,649	-10.1%	-18.7%	3.9%	3.1%
Brownsville Township	13,613	14,801	15,621	16,196	16,647	8.7%	5.5%	3.7%	2.8%
Center Township	22,880	24,142	25,570	26,480	25,560	5.5%	5.9%	3.6%	-3.5%
Harmony Township	16,145	16,111	17,917	18,806	19,226	-0.2%	11.2%	5.0%	2.2%
Harrison Township	15,375	16,074	16,865	17,447	17,939	4.5%	4.9%	3.5%	2.8%
Liberty Township	17,991	18,830	19,236	21,153	21,708	4.7%	2.2%	10.0%	2.6%
Union Township	12,991	13,885	14,595	15,146	15,525	6.9%	5.1%	3.8%	2.5%
Liberty Civil Town	514,116	559,885	575,420	606,383	624,546	8.9%	2.8%	5.4%	3.0%
West College Corner Civil Town	62,276	75,818	76,796	80,677	82,889	21.7%	1.3%	5.1%	2.7%
Union County School Corp	4,789,795	6,051,433	4,151,733	3,902,337	3,923,934	26.3%	-31.4%	-6.0%	0.6%
Union County Public Library	354,848	387,129	393,378	406,779	409,915	9.1%	1.6%	3.4%	0.8%
W. U. R. Solid Waste Mgt Dist	0	0	0	0	0				

Union County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
81001	Brownsville Township	2.0765	--	--	--	--	--	--	2.0765
81002	Center Township	2.0714	--	--	--	--	--	--	2.0714
81003	Liberty Town	3.5522	--	--	--	--	--	--	3.5522
81004	Harmony Township	2.0793	--	--	--	--	--	--	2.0793
81005	Harrison Township	2.0707	--	--	--	--	--	--	2.0707
81006	Liberty Township	2.0830	--	--	--	--	--	--	2.0830
81007	Union Township	2.0541	--	--	--	--	--	--	2.0541
81008	West College Corner Town	2.7725	--	--	--	--	--	--	2.7725

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.
The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.
The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.
The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Union County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total		
<i>Non-TIF Total</i>	58,342	397,139	76,225	1,623	533,329	6,787,538	7.9%
<i>TIF Total</i>	0	0	0	0	0	0	
<i>County Total</i>	58,342	397,139	76,225	1,623	533,329	6,787,538	7.9%
Union County	10,335	74,424	11,875	365	96,999	1,629,649	6.0%
Brownsville Township	14	372	0	3	389	16,647	2.3%
Center Township	110	919	161	5	1,195	25,560	4.7%
Harmony Township	59	428	0	6	493	19,226	2.6%
Harrison Township	85	395	0	5	485	17,939	2.7%
Liberty Township	80	392	0	5	477	21,708	2.2%
Union Township	13	407	0	1	420	15,525	2.7%
Liberty Civil Town	19,624	110,350	32,608	230	162,813	624,546	26.1%
West College Corner Civil Town	538	11,531	0	31	12,100	82,889	14.6%
Union County School Corp	24,884	179,201	28,593	879	233,558	3,923,934	6.0%
Union County Public Library	2,600	18,720	2,987	92	24,399	409,915	6.0%
W. U. R. Solid Waste Mgt Dist	0	0	0	0	0	0	

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.